



*File Act 1045/017
#5 Bonding*

Getty Mining Company | P. O. Box 7900, Salt Lake City, Utah 84107 • Telephone (801) 263-3850

January 12, 1983

Pamela Littig
Division of Oil, Gas & Mining
4241 State Office Building
Salt Lake City, UT 84114

RECEIVED
JAN 13 1983

RE: Mercur Mine Modification
ACT/045/017
Tooele County, UT

**DIVISION OF
OIL, GAS & MINING**

Dear Pam:

As per your request we are sending you the attached estimate on net demolition proceeds for the Mercur plant site. This estimate does not guarantee these net values. However, even with substantial fluctuations in the future value of scrap and used equipment the magnitudes of these estimated net values should safely provide that future demolition costs will be fully covered by salvage and scrap values.

Sincerely,

GETTY MINING COMPANY

A handwritten signature in black ink, appearing to read "Brian W. Buck".

Brian W. Buck
Environmental Coordinator

BWB/ga

Attachment

DMC Job No: SC 2385A
Code No: FLO-149
File No: 4.1.1
cc: B. Buck
G. Eurick
T. Wakefield
M. Diestel

January 7, 1983

RECEIVED
SALT LAKE
LAND DEPT.
JAN 11 1983

Getty Mining Company
P.O. Box 838
Tooele, UT 84074

ATTENTION: Mr. Frank Wicks
Project Manager

SUBJECT: Salvage Cost Estimate

Dear Frank,

As per your request, we have prepared an estimate (copy attached) of the costs involved in salvaging the millsite at the end of production.

The results indicate a net value of approximately \$1,411,000.00 after eight (8) years of operation, and approximately \$775,000.00 after fifteen (15) years. This net value is the income Getty Mining Company can expect at the end of salvage and reclamation operations.

The basis for the estimate is:

- The estimate accounts only for the plant millsite.
- The equipment estimate is based on an evaluation by Machinery Center, Inc., for dismantling, removal from site and complete liquidation of machinery and equipment.
- The scrap metal estimate is based on an evaluation by Wasatch Metal & Salvage, of the types and quantities of material available. Proceeds are net, with costs for demolition and removal from site allowed for.
- The concrete demolition and earth cover estimates are based on razing concrete and covering razed and other facility areas with three (3) feet of earth cover.
- Evaluations are in current dollars.

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SALT LAKE
LAND DEPT.
JAN 11 1983

Davy McKee

ENGINEERS AND CONSTRUCTORS

FLO-149

January 7, 1983

Page 2 of 2

If you have any further questions, please advise.

Very truly yours,

DAVY McKEE CORPORATION



K. E. Hammerbeck
Project Manager

KEH:MJD:v1

Enclosures: Salvage Estimate
Letter from Machinery Center, Inc.
Letter from Wasatch Metal & Salvage

Davy McKee

MERCUR GOLD PROJECT

SALVAGE ESTIMATE FOR MECHANICAL AND MISC. EQUIPMENT.

EQUIPMENT ESTIMATE:

		01/05/83 <----8 YEARS-----> <=====15 YEARS=====>				
		COMMITTED	RETAINED	FUTURE	RETAINED	FUTURE
		VALUE	VALUE	WORTH	VALUE	WORTH
		(\$1000)	%	(\$1000)	%	(\$1000)
PRIMARY CRUSHERS	225	35	79	20	45	
MILLS	1572	35	550	20	314	
APRON FEEDERS	250	20	50	10	25	
CONVEYORS	427	15	64	5	21	
COMPRESSORS	90	20	18	10	9	
BOILER	129	20	26	15	19	
GENERATORS	123	30	37	10	12	
RUBBER LINED PUMPS	145	25	36	20	29	
STAINLESS PUMPS	35	25	9	20	7	
IRON PUMPS	38	5	2	0	0	
THICKENER MECHAN'M	189	20	38	10	19	
TANK AGITATORS	367	20	73	10	37	
CYCLONES	54	25	14	20	11	
LIME SLAKER	153	20	31	10	15	
STATIONARY SCREENS	59	30	18	20	12	
VIBRATING SCREENS	104	20	21	10	10	
OVERHEAD CRANES	307	20	61	10	31	
ELECTROWIN. CELLS	41	35	14	20	8	
ELECT. COMPONENTS	861	20	172	15	129	
ROTARY KILN	253	20	51	10	25	
PL. & FRAME FILTERS	31	30	9	20	6	
LABORATORY EQUIP.	130	40	52	35	46	
WORKSHOP EQUIP.	190	50	95	50	95	
VALVES	225	5	11	0	0	
INSTRUMENTATION	951	5	48	0	0	
DUST COLLECTION	28	15	4	0	0	
S/TOTAL (\$1000)	6977		1582		926	
SCRAP METAL ESTIMATE:						
TONS	2585					
RATE/TON AVG, (\$)	15.00		38775		38775	
S/TOTAL (\$1000)			39		39	
CONCRETE DEMOLITION TO GRADE ESTIMATE:						
CUBIC YDS	3200					
RATE/YD3 (\$)	50.00		-160000		-160000	
S/TOTAL (\$1000)			-160		-160	
EARTH COVER ESTIMATE:						
AREA TO COVER(FT2)	160000					
COVER DEPTH (FT)	3					
REQ'D FILL (YD3)	4400					
RATE/YD3 (\$)	2.25		-49900		-49900	
S/TOTAL (\$1000)			-50		-50	
=====						
TOTAL NET INCOME AFTER >			8 YEARS		15 YEARS	
(IN CURRENT \$1000)=			1411		755	

JAN 06, 1983 MJD/TLW



machinery center, inc.

MAILING ADDRESS:
P.O. BOX 964
SALT LAKE CITY, UTAH 84110
PHONE (801) 972-1794

SHIPPING ADDRESS:
1559 WEST 3860 SOUTH
SALT LAKE CITY, UTAH 84119

CABLE ADDRESS
"ROGER"
TELEX 388-338

December 23, 1982

Davy McGee Corporation
Agents for Getty Oil, Mercur Gold Project
P. O. Box 610,
Tooele, Utah 84074

Attn: Knud Hammerbeck

Knud

Reference is made to our telephone conversation and my visit to your job site, Mercur, Utah on December 20, 1982. At this time you requested our company to make an evaluation on specific categories of Mill Equipment as outlined by you.

With this in mind our evaluation will represent a percentage of new prices you could expect to recover after 8 years and 15 years of service. You can apply these percentages against your current new equipment purchase prices.

Our evaluation as follows:

<u>CATEGORY</u>	<u>% AFTER 8 YEARS</u>	<u>% AFTER 15 YEARS</u>
Primary Crushers	35%	20%
Grinding Mills, S.A.G. and Ball	35%	20%
Apron Feeders, Pan Type	20%	10%
Belt Feeders, Belt Type	15%	5%
Belt Conveyors	15%	5%
Compressors	20%	10%
Boiler	20%	15%
Generators: Diesel, Electric		
Pumps: Rubber Lined type, Material	30%	10%
Handling Denver SRL	25%	20%
Pumps: Stainless Steel, Acid Resistant Type	25%	20%
Pumps: Centrifugal Clear Water Type Iron Con-		
structed Wear Parts	5%	0%
Thickeners: Rake Type	20%	10%
Agitators: Tank	20%	10%
Cyclones: 26" Krebs	25%	20%
Lime Slaker	20%	10%
Screens, Stationary DSM Gravity Type	30%	20%
Screens, Vibrating Type	20%	10%
Cranes, Overhead Type	20%	10%

PRICES QUOTED ARE FOR IMMEDIATE ACCEPTANCE ONLY. ALL QUOTATIONS ARE SUBJECT TO PRIOR SALE. UNLESS OTHERWISE INDICATED THE GOODS QUOTED HEREIN ARE OFFERED "AS-IS". SELLER WARRANTS THAT THE GOODS ARE AS DESCRIBED IN THIS QUOTATION AND THAT NO OTHER EXPRESSED WARRANTY IS MADE UNLESS INDICATED ON THE FACE HEREOF.

<u>CATEGORY</u>	<u>% AFTER 8 YEARS</u>	<u>% AFTER 15 YEARS</u>
Plating, Electro Plating	35%	20%
Electrical Components, Motor Control Centers, Starters, Disconnects, Transformers	20%	15%
Kiln: Rotary	20%	10%
Filters: Plate and Frame Type	30%	20%
Bag House: Dust Collectors	15%	0%
Laboratory Equipment, Pulverizer, Crusher, Ovens etc.	40%	35%

If you have any questions on our evaluation which you care to discuss, please feel free to contact us.

Very truly yours,

MACHINERY CENTER, INC.


Jim Deering

JD/bb

Phone 484-3511

WASATCH METAL & SALVAGE

DEALERS IN SCRAP IRON AND METALS

205 West 33rd South Street

Salt Lake City, Utah 84115

P. O. Box 21007

DECEMBER 23, 1982

MR. KNUD E. HAMMERBECK
DAVY MCKEE CORPORATION
P.O. BOX 610
Tooele, UT 84074

RE: MERCUR GOLD PROJECT

Mr. Hammerbeck:

Regarding our meeting of December 21, 1982 concerning the cost of demolition and removal of steel structures from the Mercur Gold Project, we have evaluated industry conditions and offer the following information.

It is our opinion that the steel structures could be dismantled and the structural steel, siding, piping, tanks and all scrap metals, be removed from the jobsite at the rate of \$10.00 to \$20.00 per ton, payable to the project owner. This rate would not include demolition nor removal of any concrete.

Tonnage estimates supplied to me by your Mike Deistel show an approximate total of 2585 tons of steel and scrap. At an average rate of \$15.00 per ton the approximate salvage value to the owner would be \$38,775.00. I have enclosed a copy of Mikes tonnage estimates.

I have tried to determine a cost per cubic yard for the removal of concrete. However, I have been unable to do so as a site inspection would be necessary and a "per job" bid would be given.


Mr. Knud E. Hammerbeck

-2-

December 23, 1982

Hopefully this information will be helpful to you. We appreciate the opportunity to help you.

Very Truly Yours,



Lynn P. Hurst

WASATCH METAL & SALVAGE

Enclosure

LPH/rka

Estimate tonnages given to Wasatch Metals & Salvage:

Tank plate =	530	tons
Sheeting =	176	"
Cable tray =	73	"
Conduit =	43	"
Cable =	25	"
Liner panels, etc.	84	"
Pipe =	137	"
Steel =	1,427	"
Platework =	90	"

Estimated Total 2,585 tons